



BANKRUPTCY DEPT.
53 GIBSON STREET
BAY SHORE, NY 11706
TEL: (631) 969-3100
FAX: (631) 982-1459

September 13, 2018

Honorable Chief Judge Cecelia G. Morris
U.S. Bankruptcy Court
Southern District of New York
355 Main Street, 2nd Floor
Poughkeepsie, New York 12601

Re: Case No.: 18-10135-cgm
Debtor: Ralph Jr., George

Dear Chief Judge Morris:

Our office represents Seterus, Inc., as authorized subservicer for Federal National Mortgage Association, a corporation organized and existing under the laws of the United States of America ("Secured Creditor"). Please allow this letter to serve as a status letter in advance of the loss mitigation status conference scheduled for September 20, 2018.

As indicated in our status letter dated August 15, 2018, Debtor's application for a loan modification was denied because a lower monthly payment could not be achieved. A full explanation of the basis for denial is included in our August 15th status letter. A copy of our August 15th status letter is annexed hereto for reference.

Our office has reached out to Debtor's counsel regarding the denial letter and our August 15th status letter providing an explanation for the denial, however, we have not received any reply in response to same. As such, Secured Creditor requests that loss mitigation be terminated.

Thank you for your attention and consideration of this matter.

Very truly yours,

By S/ Karen Sheehan
Karen M. Sheehan, Esq.

Cc: Narissa Joseph, Esq.



BANKRUPTCY DEPT.
53 GIBSON STREET
BAY SHORE, NY 11706
TEL: (631) 969-3100
FAX: (631) 982-1459

August 15, 2018

Honorable Chief Judge Cecelia G. Morris
U.S. Bankruptcy Court
Southern District of New York
355 Main Street, 2nd Floor
Poughkeepsie, New York 12601

Re: Case No.: 18-10135-cgm
Debtor: Ralph Jr., George

Dear Chief Judge Morris:

Our office represents Seterus, Inc., as authorized subservicer for Federal National Mortgage Association, a corporation organized and existing under the laws of the United States of America ("Secured Creditor"). Please allow this letter to serve as an amended status letter in advance of the loss mitigation status conference scheduled for August 16, 2018.

By letter dated July 17, 2018, Secured Creditor advised Debtor's counsel that the Debtor's request for a loan modification had been denied. The programs under which the Debtor was reviewed and the basis for denial are outlined in the denial letter and summarized below:

- Repayment: Denied because the Debtor cannot cure the default by repaying the delinquency within 12 months.
- Forbearance: Denied because the debtor does not meet the criteria as set forth in the denial letter.
- Cap and extend: Loan may not be delinquent more than 6 months. Further the RMA does not indicate that the hardship has been resolved.
- Flex Modification: Denied as a lower payment could not be achieved. The program allows for forbearance \$26,341.75, which is 80% of the modified UPB. If all remaining delinquent sums are capitalized, the interest rate is set at 4.62% and the maturity date is extended to 480 months, the modified P&I is greater than the current P&I. The current P&I \$1,528.48 and the modified P&I would be \$1,775.60. As such, a reduced monthly payment cannot be achieved.
- Flex-Non-Delegated: Denied as a lower payment could not be achieved. The program goal is to reduce the P&I payment of up to 20%. All delinquent sums are capitalized, the interest rate may be reduced to the prevailing rate if the MTLTV is less than 80%, the maturity date extended to 480 months, and forbearance is permitted if the MTLTV is greater than 100%. In this instance, the MTLTV is 86.496% so with a forbearance of \$26,341.75 and reduction of the interest rate to 4.625%, a lower payment could not be achieved.



PAGE 2 OF 2

Thank you for your attention and consideration of this matter.

Very truly yours,

By S/ Karen Sheehan
Karen M. Sheehan, Esq.

Cc: Narissa Joseph, Esq.